

## Message Text

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EXDIS MILITARY ADDRESSEES HANDLE AS SPECAT EXCLUSIVE

FOL JAKARTA 12129 SENT ACTION SECSTATE INFO PHNOM PENH SAIGON  
OCTOBER 1, 1974 REPEATED TO YOU QUOTE

S E C R E T JAKARTA 12129

EXDIS

DEPARTMENT PASS SECDEF AND CINCPAC

E.O. 11652: GDS

TAGS: MPOL OVIP ID

SUBJ: SECRETARY CLEMENTS MEETING WITH PRESIDENT SUHARTO

1. SUMMARY: IN ONE HOUR MEETING WITH DEPUTY SECRETARY  
DEFENSE CLEMENTS, PRESIDENT SUHARTO REVIEWED INDONESIA'S  
INTEREST IN SOUTHEAST ASIA, ACCEPTED WITH APPRECIATION  
ASSURANCES REGARDING CONTINUITY OF US POLICIES AND  
STRESSED CONTINUING INDONESIAN NEEDS. HE DEMONSTRATED  
UNDERSTANDING OF MILITARY ASSISTANCE PROBLEMS IN U.S.  
BUT EXPRESSED HOPE FOR SUCH CONTINUED U.S. HELP AS MAY  
BE POSSIBLE. END SUMMARY

2. SECRETARY CLEMENTS BEGAN INTERVIEW BY EXTENDING  
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BEST REGARDS PRESIDENT FORD, EXPRESSING ADMIRATION FOR

SUCSESSES AND EFFORTS OF INDONESIA OVER LAST SEVERAL YEARS AND REASSURING PRESIDENT SUHARTO REGARDING CONTINUITY US POLICIES IN SOUTHEAST ASIA, INDIAN OCEAN AND MIDDLE EAST. HE STRESSED US DESIRE CONTINUE CLOSE RELATIONSHIP WITH INDONESIA, PERHAPS EVEN EXPANDING POSSIBILITIES IN MILITARY PROCUREMENT FIELD.

3. PRESIDENT SUHARTO, AT CLEMENTS REQUEST, PRESENTED INDONESIAN ATTITUDE TOWARD SOUTHEAST ASIA. HE ADMITTED CHANGE OF US PRESIDENCY HAD CAUSED QUESTION MARK IN INDONEESIA BUT WAS REASSURED REGARDING CONTINUITY. INDONESIA HAD HOPED FOR PEACEFUL SETTLEMENT IN INDOCHINA BUT THIS WAS IN LAST ANALYSIS IN HANDS OF GOVERNMENT AND PEOPLES IN COUNTRIES THEMSELVES. INDONESIA HAS HELPED WITH ADVISORS IN CAMBODIA BUT EXPRESSED DIAPPOINTMENT OVER LACK OF ACCEPTANCE TO DATE OF CAMBODIA'S PEACE OFFER AND CONCERN OVER PROBLEMS OF KHMER SEAT IN UNGA. INDONESIA NOT YET CAPABLE OF FINANCIAL AND EQUIPMENT ASSISTANCE BUT IS TRYING IN OTHER WAYS. HE MENTIONED BEING ENCOURAGED BY LATE REPORT THAT FORCES IN SOUTHERN PART OF CAMBODIA WANT TO JOIN GOVERNMENT. THIS WOULD BE IMPORTANT BOOST FOR KHMER GOVERNMENT.

4. SECRETARY CLEMENTS STRESSED IMPORTANCE OF PUBLIC AND MORAL SUPPORT BY SOUTHEAST ASIAN COUNTRIES AND FOR US CONGRESS.

5. WITH RESPECT TO VIETNAM, SUHARTO SAID INDONESIA HAD PARTICIPATED IN ICCS IN HOPES OF CONTRIBUTING TO PEACE BUT, IF DEVELOPMENTS SUGGEST PEACE IS NOT POSSIBLE, INDONESIA NOT INTERESTED IN STAYING ONLY TO WATCH KILLING AND FIGHTING AND WILL HAVE TO REASSESS ITS ICCS POSITION. SECRETARY CLEMENTS REPLIED THAT HE HOPED NO DECISION WOULD BE MADE TO WITHDRAW. INDONESIA'S HELP WAS NEEDED IN ICCS AND IS MAKING SUBSTANTIAL ACHIEVEMENT TOWARD PEACE. US UNDERSTOOD PROGRESS WAS SLOW BUT US CONTINUES TO TRY TO FIND SOLUTION. SUHARTO SAID AS LONG AS POSSIBILITY EXISTS OF PEACEFUL SETTLEMENT NO MATTER HOW SLOW PROGRESS, INDONESIA WILL CONTINUE TO CONTRIBUTE.

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6. ON ASEAN, SUHARTO ACKNOWLEDGED SOME DIFFERENCES NATIONAL INTERESTS AMONG MEMBER COUNTRIES. ON CHINA, SUHARTO SAID ASEAN COUNTRIES HAD COORDINATED POLICIES AND HAD REACHED CONSENSUS THAT STEPS TAKEN WOULD NOT BE DETERIMENTAL TO PEACE IN AREA. MALAYSIAN AND PHILIPPINE APPROACH TO CHINA HAD BEEN CONDUCTED ON THIS BASIS. THERE WAS GENERAL AGREEMENT AMONG ASEAN COUNTRIES THAT

RECOGNITION OF EXISTENCE OF COMMUNIST CHINA NECESSARY AND THAT ISOLATION OF CHINA LESSENS CHINA'S RESPONSIBILITIES TOWARD PEACE. INDONESIA HAD HAD ITS OWN BITTER EXPERIENCE WITH CHINA, HAD CAUTIONED OTHER SEA COUNTRIES ABOUT CHINA AND WILL HAVE TO CONSIDER ITS ACTIONS IN TERMS OF ITS OWN SITUATION.

7. IN THIS CONNECTION, SUHARTO SAID, MUCH DEPENDS ON INDONESIA'S OWN INTERNAL STRENGTH. INDONESIA WOULD LIKE TO DEVELOP IN ALL SOCIAL, ECONOMIC, AND MILITARY FIELDS SIMULTANEOUSLY BUT RESOURCES ARE NOT THERE. PRIORITY BEING GIVEN TO ECONOMIC DEVELOPMENT. THANKS TO US HELP THROUGH IGGI REAL PROGRESS HAD BEEN MADE IN ECONOMIC DEVELOPMENT. HE RECOGNIZED ADDITIONAL FOREIGN EXCHANGE FROM OIL HAD RAISED QUESTION ABOUT INDONESIA'S CONTINUED NEED FOR FOREIGN ASSISTANCE. HE ADMITTED OIL REVENUES REPRESENTED WINDFALL BUT STRESSED THAT COST OF COMMODITIES AND SUBSIDIES FOR KEY COMMODITIES HAD ALSO RISEN. HE CITED FERTILIZER AS EXAMPLE. HE SAID ASSISTANCE IN WHATEVER FORM APPRECIATED AND CITED SPECIFICALLY SALE OF DES AND RECENT FMS SALE OF OV-10S.

8. SECRETARY CLEMENTS EXPRESSED AGREEMENT WITH INDONESIAN EMPHASIS ON BALANCE BETWEEN ECONOMIC AND SECURITY REQUIREMENTS. US WANTS TO CONTINUE TO HELP IN MILITARY FIELD BUT FUTURE OF GRANT AID IS MADE EXTREMELY DIFFICULT BY STRONG CONCERN AND SENSITIVITY IN CONGRESS ON OIL PRICE QUESTIONS AND OVER ANY HELP TO OIL PRODUCING COUNTRIES. HE RECOGNIZES INDONESIA IS DIFFERENT FROM SAUDI ARABIA AND IRAN BUT THIS NOT CLEAR TO CONGRESS. HE EXPRESSED HOPE PRESIDENT WOULD BE UNDERSTANDING OF US PROBLEMS. US REMAINS COM-  
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MITTED TO ASSISTING GOI THROUGH SUCH AVENUES OF HELP AS MAY BE AVAILABLE, INCLUDING CONCESSIONAL PRICES ON EQUIPMENT AND INVENTORY AND FMS CREDITS AND SALES. HE MENTIONED SATISFACTORY MEETING WITH HANKAM OFFICIALS AND READINESS TO WORK WITH HANKAM IN DETERMINING HOW US CAN CONTINUE TO ASSIST. US DESIRES INDONESIAN COOPERATION AND FRIENDSHIP AND WILL DO WHAT IT CAN TO MAINTAIN CURRENT RELATIONSHIP.

9. SUHARTO SAID HE UNDERSTOOD GRANT AID PROBLEM BUT IN VIEW OF ECONOMIC NEEDS WOULD LIKE TO SEE IT CONTINUED AS LONG AS POSSIBLE. AT SAME TIME HE RECOGNIZED MORE EMPHASIS WILL NEED TO BE PUT ON PURCHASES AND OTHER AVENUES. NEXT FEW YEARS ARE CRITICAL BEFORE INDONESIA HAS FINANCIAL CAPACITY TO DO EVERYTHING ON

PURCHASE BASIS.

10. COMMENTS ON VISIT WILL FOLLOW SEPTTEL. NEWSOM  
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## Message Attributes

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